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NEWS

Illinois Department of Insurance

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Illinois Department of Insurance Awarded \$1 Million to Enhance Review of Health Insurance Premium Increases

Federal Grant Will Boost Efforts to Improve Performance and Transparency of Health Insurance Marketplace

CHICAGO – August 16, 2010. The Illinois Department of Insurance announced today that it will receive \$1 million in federal funds to support its efforts to enhance the collection, public disclosure and analysis of health insurer premium increases in Illinois.

“Under Governor Quinn’s direction, we are continuing to work to improve the quality of health insurance purchased by Illinois families and employers,” said Illinois Department of Insurance Director Michael T. McRaith. “The federal grant will enable the Department to know and analyze health insurance premium increases. This information will inform consumers and policymakers in the state, and will better enable individuals in Illinois to receive value for their premium dollars.”

The federal grant will supplement existing Department efforts to examine premium increases, such as the [Individual Major Medical Health Insurance Policy Rate Filing Report](#). The 2009 report highlights premium increases imposed by Illinois health insurers for individual and family health insurance policies dating to 2005. Unlike most states, including neighboring Indiana and Iowa, Illinois law does not afford employers and families protections from premium increases far in excess both national averages and rates of medical inflation.

The grant funds provided under the federal health reform law (known as the “Affordable Care Act”) will allow the Department to establish the infrastructure and protocols necessary to collect, publish and analyze premium information. This will help families, employers and policymakers to be better informed about health insurance premium rates and rate increases, healthcare costs, utilization trends and health plan benefit designs.

The Department will utilize the federal dollars to increase actuarial staffing and invest in the necessary technological infrastructure to implement premium rate reporting, analyses and public and policymaker engagement. The Department’s grant application, which outlines in detail its proposal to enhance the reporting and review of health insurance premium increases, and the award letter from the U.S. Department of Health and Human Services, can be viewed at www.insurance.illinois.gov/HIRIC.

The Affordable Care Act also requires a health insurer proposing an unreasonable premium increase to post information justifying the increase on the company’s web site. More detailed information about this and other provisions of the Affordable Care Act is available on the Department’s web site at www.insurance.illinois.gov/HIRIC.

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More information

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner. Consumers in need of information or assistance should visit the Department's Web site at insurance.illinois.gov or call our toll-free hotline at (877) 527-9431.

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